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SUBJECT: INDIA EMPHASIZES SUPPORT FOR NON-PROLIFERATION IN
LANDMARK JULY 18 DEFENSE

11. (SBU) Summary: In a landmark October 24 speech aimed at an elite group of strategic analysts, Foreign Secretary Sham Saran forcefully defended the India-US civil nuclear framework, offered helpful interventions on NSG and MTCR harmonization, and highlighted India's vigorous support for the global non-proliferation effort. Saran also explicitly countered arguments that India has sold out to the US. Throughout the speech, Saran projected confidence that India and the US can sustain a cooperation based on shared interests, with India reaping visible benefits in terms of technology transfers. Pressed during the Q and A on the separation of civilian and military nuclear facilities, Saran emphasized the value of India declaring the maximum number of civilian facilities in order to benefit fully from international nuclear cooperation. The majority of questions concerned India's September vote on Iran in the IAEA, reflecting domestic sensitivities around the issue. Saran's responses, as well as his prepared statement, mark an important watershed in the Congress government's attempt to advance India's emergence as a global power. End summary.

Saran Rap: India is Responsible and Consistent

12. (SBU) On October 24, Saran spoke to a group convoked by the Institute of Defence Studies and Analyses, an eminent local strategic think tank. He opened by noting the "healthy" level of debate surrounding the Next Steps in Strategic Partnership (NSSP), the July 18 agreement with the US, India's September vote on Iran in the IAEA, and the recent deliberations of the NSG. He then defined the GOI's policy as a consistent, principled approach that takes into account both India's own national security interests and its commitment to a rules-based international system.

13. (U) After briefly outlining India's history of engagement on non-proliferation issues, he went on to explain how the July 18 agreement with the US commits India not to transfer reprocessing or enrichment technologies and to supporting international efforts to limit their spread. According to Saran, this measure is well within the framework of India's obligations under UNSC Resolution 1540. Saran continued that India's own security interests had been seriously undermined by clandestine nuclear activities within the region, and, in a dig at Pakistan, argued that transparency was key.

Iran and the IAEA

14. (U) In addressing India's controversial September 24 vote on Iran in the IAEA, he said: "We should avoid a divisive vote at the IAEA's next meeting in Vienna," and added that India hopes to resolve the Iranian crisis through dialogue. Saran observed that "with respect to the Iran nuclear issue, we welcome Iran's cooperation with the IAEA in accounting for previously undeclared activities, but it is important that remaining issues which involve the Pakistan-based A.Q. Khan network are satisfactorily clarified as well."

15. (U) Turning to India's agenda, Saran stated: "For the future, we believe we have the responsibility and capability to participate fully and actively in global R and D efforts to evolve proliferation-resistant nuclear technologies, which enable us to derive the full benefit of nuclear energy, minimizing the risk of diversion to military uses." He added his hope that India will become a full partner in the International Thermonuclear Energy Research (ITER) project and the US-led Generation IV initiative.

Specific Benefits of Sharing Interests With US

16. (U) Saran targeted his remarks to detractors who have claimed the GOI is blindly allying itself with the US. He pointed out that in the context of India's history, the current decisions on non-proliferation reflect continuity. Referring to the UPA government's controversial vote on Iran at the IAEA BOG in September, he stated that the GOI's decision-making in sensitive matters is rooted in self interest and good judgment rather than in external influences. Recalling U/S Burns's public comments, Saran insisted there was "no linkage" between India's IAEA vote and the July 18 framework. He then added that India must adapt

to changing global expectations and become "an increasingly influential actor on the international stage."

Following the Rules

17. (U) Saran acknowledged that India would have to answer the question: "What does the international community gain in making an exception to the current regulations for India?" He felt the answer lies in one of India's key objectives, gaining global recognition as a responsible non-proliferator. He stressed that India's steps, including "enactment of the WMD Bill, the upgradation of the national export control lists so as to harmonize them with those of the NSG and MTCR, the proposed separation of our civilian and military nuclear facilities, and the negotiation of an additional protocol in the IAEA" have all given the international community greater confidence in India's robust and effective export control system, thereby making India a more viable destination for advanced dual-use technologies. He cited the example of the US already providing more liberal and predictable licensing for dual-use technology for Indian industry. Saran also argued tht the completion of the NSSP as beneficial for licensing, and he reiterated that 'NSG plus' and 'MTCR plus' restrictions had already been abolished. He indicated that India-US space and satellite cooperation had an economic pay off for India and also opened the door to a dialogue on missile defense.

Separation of Civilian and Strategic Nuclear Facilities

18. (U) Saran likened the global non-proliferation regime to a tent, and said "Obviously, we cannot be inside the tent if we do not measure up to the required norms." He emphasized the July 18 agreement with the US as one that concerns civilian nuclear energy cooperation rather than weapons non-proliferation and noted that it is legitimate for partners to request a distinction between civilian and military uses of the nuclear sector. He refused to be drawn out on whether specific facilities would be safeguarded under the July 18 framework, averring that the GOI is still debating this internally. Saran addressed comments directly to the non-proliferation community and "those who fear an effort to keep out some civil facilities" when saying there is no point "salting away" certain facilities since India's goal is the widest possible civil nuclear cooperation with the international community. He frankly acknowledged the potentially high costs of separating nuclear facilities.

Comment: An Emerging Global Power

19. (SBU) Saran's strong, specific defense of Indo-US cooperation is especially welcome in light of media and public criticism of the perceived US influence on Indian foreign policy. An October 22 op-ed column in the Asian Age, for instance, savaged the GOI for allegedly selling out Indian interests. Nevertheless, Saran very clearly outlined the reasons why Indian policies and American interests can coincide. The fact that this ringing endorsement comes on the heels of U/S Burns's visit suggests by inference that Saran was receptive to the newly elaborated US agenda and remains firmly convinced that we can sustain a lasting relationship based on shared interests. Saran did not address the Proliferation Security Initiative, reminding us that this is an issue we must continue to push. Nevertheless, the speech reveals a new level of maturity and confidence in India's role as an emerging, responsible global power. End comment.

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